

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7184**

**BILL NUMBER:** HB 1328

**NOTE PREPARED:** Jan 23, 2015

**BILL AMENDED:**

**SUBJECT:** Liens on Real Property.

**FIRST AUTHOR:** Rep. Slager

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** *Notice of Intent-* The bill provides that if: (1) a person intends to acquire a lien on real property after June 30, 2015; and (2) there is no requirement under any other state law that the person or another person must notify the owner of the real property of the person's intention to acquire the lien; the person who wishes to acquire the lien must file a sworn statement and notice of the person's intention to acquire the lien in the county recorder's office of the county in which the real property is located.

*County Recorder-* The bill requires the county recorder to: (1) record a copy of the statement and notice of intention in the appropriate record book of the county recorder's office; (2) send by first class mail a copy of the statement and notice of intention to the owner of the real property; and (3) collect a fee of \$2 from the person who filed the statement and notice of intention for each statement and notice of intention that is sent by first class mail.

**Effective Date:** July 1, 2015.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *County Recorder-* County recorders already record statements of intention to acquire a lien for several types of liens. County recorders would be able to process the paperwork of additional intentions to acquire a lien that the bill may generate as a routine administrative function.

**Additional Information-** There are several types of liens that would not be subject to the bill’s requirement to file an intention to acquire a lien. Either, these liens already have a provision in law that requires an “intention” to be filed with the recorder, or the liens, such as judgement liens and state tax warrants, are automatically assigned as a lien at the point the trial court renders its judgement.

The liens that already require a statement of intention to acquire a lien include the following.

<b>Liens with Provision in Current Law to File “Notice of Intention” to Acquire a Lien.</b>		
<b>Lien Type</b>	<b>Code Citation of ‘Notice of Intention’ Requirement</b>	<b>Requirement</b>
Mechanic’s	IC 32-28-3-3	In order to acquire a lien, the lien holder must record a notice of intention to place a lien not later than 90 days from the date of the work’s completion.
Real Estate: Employees of Strip Mines	IC 32-28-10-1	The lien holder, within 60 days “of time payment became true” must file in the recorders’ office a notice of intention to hold a lien upon a property.
Engineers, Land Surveyors, Architects	IC 32-28-11-1	In order to acquire a lien, the lien holder must record a notice of intention to place a lien not later than 90 days from the date of the work’s completion.
Corporate Employees	IC 32-28-12-2 (Lien placed against corporate earnings)	The lien holder must record a statement of notice of employee’s intention to hold a lien against their employer.
Common Law	IC 32-28-13-5(b)	The recorder must send a copy of the “statement of intention to hold a common law lien” to the property owner.
Homeowners Associations	IC 32-28-14-8	The lien holder may file a complaint in a trial court after not earlier than 90 days and not more than 5 years “after the date the statement and notice of intention to hold a lien was recorded.”

**Explanation of Local Revenues:** *County Recorder-* The bill would allow county recorders to levy a \$2 charge on lien holders filing a notice of intention to acquire a lien when a duplicate is mailed to the property owner by first class mail. For common law liens, current law requires the recorder to charge the lienholder \$2 to mail a duplicate notice of intention to the property owner.

**State Agencies Affected:**

**Local Agencies Affected:** County recorders.

**Information Sources:**

**Fiscal Analyst:** Chris Baker, 317-232-9851.